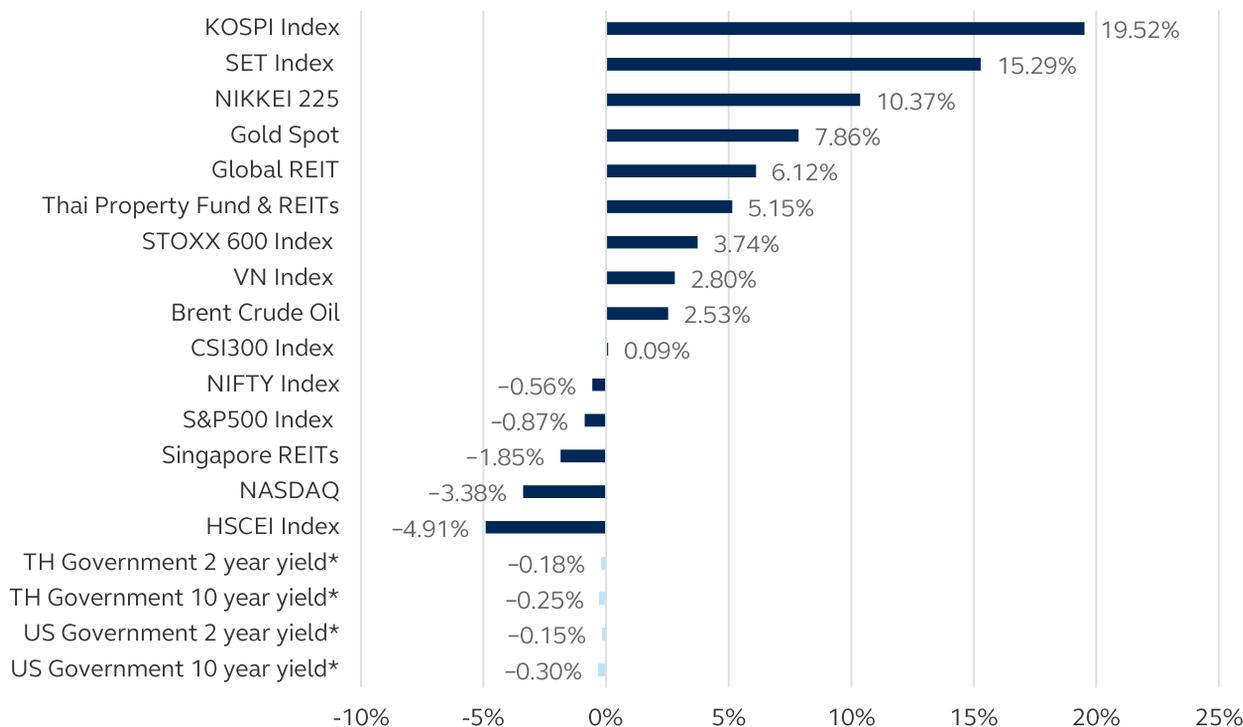
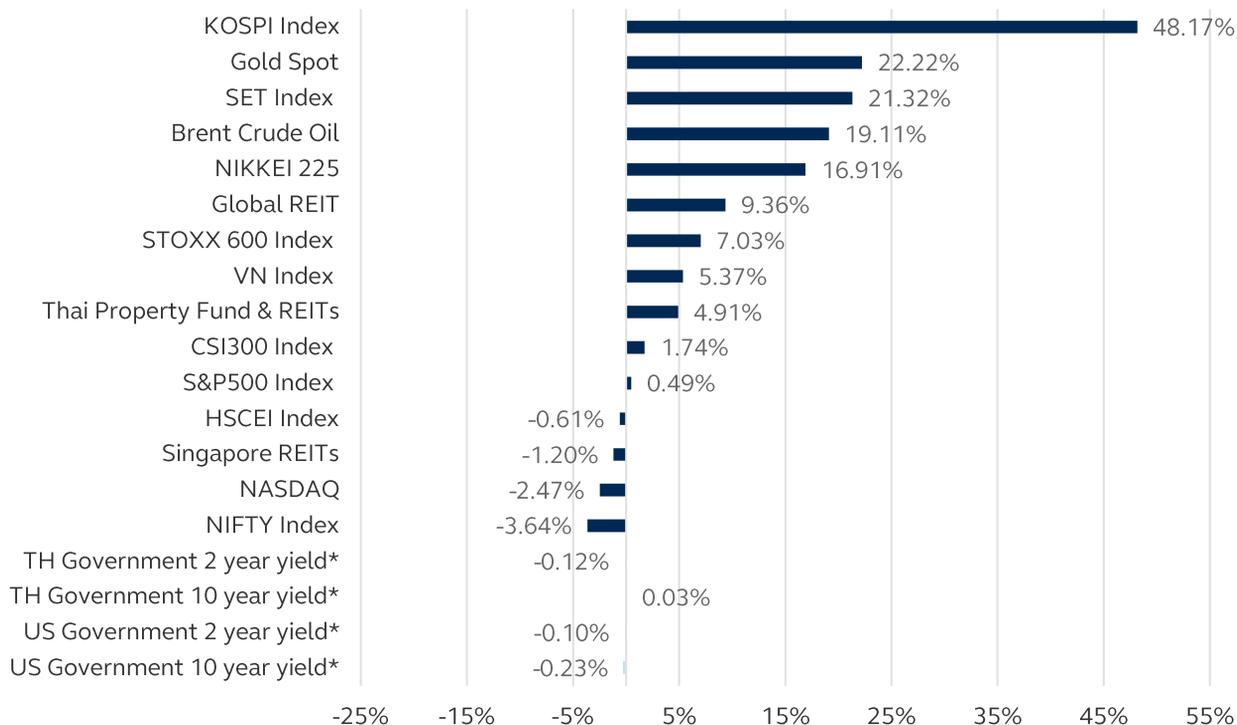


Market Outlook

1-month performance (February)



Year-to-date performance



*Information illustrated percentage of bond yield change not return.
Source : Bloomberg, data as of 27 February 2026

Most of global equity markets posted strong gains in February such as KOSPI, SET and NIKKEI225. However, US stocks — particularly software companies came under pressure due to concerns over AI-related disruption, uncertainty around US trade policy and escalating geopolitical tensions. Overall, we maintain a Neutral view on global assets and a Slightly Overweight view on Vietnam stock markets.

Fixed Income: 2-year U.S. government bond yields slightly decreased. Markets continue to price in two Fed rate cuts this year. In Thailand, the Monetary Policy Committee (MPC) cut the policy rate by 0.25% in February meeting, bringing it down from 1.25% to 1.00%. Principal Asset Management maintains a Neutral view on fixed income investments.

Global Equity: Principal Asset Management holds a Neutral view on major global equity markets. The U.S. stock market, the S&P 500 fell 0.87% and NASDAQ fell 3.38%. Software stocks dragged the market down due to concerns over AI disruption, US trade policy and geopolitical risks. Despite this, 73% of 96% of listed companies in S&P500 announced better-than-expected earnings for Q4 2025.

In Europe, STOXX 600 index rose by 3.74%, hitting a new high in February. Sentiment was boosted by easing concerns about AI disruption and the ECB maintained its policy rate, reflecting continued growth by a strong labor market and inflation near its target range. Nonetheless, global trade uncertainty and geopolitical tensions continue to pose risks.

In Japan, NIKKEI 225 index rose by 10.37%, surpassing 59,000 for the first time in history. The rally was driven by proactive fiscal policies under newly elected Prime Minister Sanae Takaichi, which reinforced political stability and policy continuity. Additionally, Q4 2025 earnings were strong, with 65% of companies in the Nikkei 225 reporting results above expectations.

Indian Equity: The Indian stock market declined by 3.64%, pressured by geopolitical tensions and continued foreign capital outflows. Despite strong GDP growth of 7.8% in October–December 2025 (Q3 of Fiscal year 2025–2026). Principal Asset Management maintains a Slightly Underweight on Indian stock market.

Thai Equity: The SET index rose by 15.29%, making it one of the best performing markets this year. The rally was driven by expectations of improved political stability following the election results, attracting over THB 58 billion in foreign inflows this year. Additional support came from dividend announcements in the banking and telecommunication sectors, as well as the Bank of Thailand’s 0.25% rate cut in its February meeting. Principal Asset Management holds a Neutral view on the Thai stock market.

Vietnam Equity: The Vietnamese stock market rose by 2.80%, with improving market breadth. Listed companies' earnings grew strongly at 30% YoY in 2025. Investor sentiment was further lifted by FTSE upgrading Vietnam to Emerging Market status, which could attract foreign inflows from both passive and active funds. Combined with the government's push to achieve 10% GDP growth. Principal Asset Management maintains a Slightly Overweight view on Vietnam stock market.

Property Funds / REITs: Global property funds and REITs rose by 6.12%, supported by monetary easing from major global central banks. This environment benefits real estate and infrastructure assets, which typically offer stable income with limited downside risk. Principal Asset Management maintains a Neutral view on REIT investments.

Gold: Gold price rose by 7.86%. The rise was supported by geopolitical tensions and continued purchases by central banks in emerging markets such as China and India. However, Principal Asset Management maintains a Neutral view on gold.

Asset Allocation Outlook

	UW	Slightly UW	Neutral	Slightly OW	OW
Cash					
Fixed Income					
• Global					
• Thailand					
Equity					
• Global					
• Thailand					
• India					
• Vietnam					
Property Funds/REITs					
Gold					

Viewpoints reflect a 1-month horizon

→ indicates a change in preference from the previous month (light blue) to the current month (dark blue)

Description of Asset Allocation Outlook table

- OW or Overweight : Allocate asset more than its benchmark
- Slightly OW or Slightly Overweight : Allocate asset slightly more than its benchmark
- Neutral : Allocate asset equal to its benchmark
- Slightly UW or Slightly Underweight : Allocate asset slightly less than its benchmark
- UW or Underweight : Allocate asset less than its benchmark

Caution: Principal Asset Allocation Plan is a service providing advice on allocating investment portfolios by diversifying investment into various financial assets according to investor’s investment risk tolerance. Advisement is considered on market conditions to create or adjust balance portfolio, which will be monthly evaluated and adjusted investment mix or portfolio to ensure that the portfolio is well-diversified and consistent with investment outlooks. Due to market price changing from market conditions, the proportion of each asset may deviate from appropriate allocation. This may cause the portfolio to be at higher or lower risk than it should be. Principal Asset Allocation Plan is only advice from Principal Asset Management and investors may not receive return as expected. Investors should make sure that understand about basic investment allocation, recommended by SEC. / Investors should understand product characteristics (mutual funds), conditions of return and risk before making an investment decision. / Past performance does not guarantee future results.

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